

AIRCRAFT FUEL TAX
RCW 82.42

Tax Base Each gallon of fuel sold, delivered or used in aircraft (except fuel used by commercial and other exempt aircraft) within the state.

Tax Rate Minimum of 5 cents per gallon; the current rate is 7.5 cents.

NOTE: aircraft fuel is also subject to retail sales/use tax.

RCW 82.42.025 requires that the Department of Licensing calculate the actual gas tax rate semi-annually. The calculation is based on a survey of the weighted average price of aircraft fuel sold by dealers throughout the state. The tax rate is 3 percent of the average price, rounded to the nearest half cent. The calculation is done in November and May and any change in the rate is effective at the start of the second month after the calculation (i.e., January and July).

Levied by State

Administration Department of Licensing. Distributors of aircraft fuel report the tax on a monthly basis; the tax return is due by the 25th of the succeeding month.

Recent Collections (\$000)

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>	<u>% of All State Taxes</u>
2001	\$1,966	20.5%	0.0%
2000	1,632	25.1	0.0
1999	1,305	(30.1)	0.0
1998	1,867	(13.1)	0.0
1997	2,149	75.3	0.0
1996	1,226	6.3	0.0
1995	1,153	1.4	0.0
1994	1,137	(0.2)	0.0
1993	1,139	(4.0)	0.0
1992	1,187	(5.6)	0.0

Distribution of Receipts

Aeronautics account within the state general fund. Proceeds are used by the Aeronautics Division of the Department of Transportation.

Exemptions

- fuel for aircraft that operate at least 95 percent of the time from private airfields and are used principally for agricultural spraying;
- aircraft fuel that is sold for export;
- fuel for use in commercial air carriers;
- fuel used for aircraft testing or experimental purposes;
- fuel used in training of crews of commercial airlines;
- fuel used by local commuter airlines;
- aircraft fuel imported into the state and then sold in interstate commerce;
- aircraft fuel sold to the federal government.

History

The tax was adopted in 1967 at a rate of 2 cents per gallon. The variable rate calculation was established in 1982 and the minimum tax of 5 cents was added in 1983. As a result of significantly increased export sales in 1989, the statute pertaining to the export exemption was clarified in 1989 to require detailed reporting of data on such sales.

Changes in the rate occurred as follows:

July, 1982	-	5 cents
January, 1983	-	3 "
May, 1983	-	5 "
July, 1989	-	5.5 "
January, 1991	-	6.5 "
July, 1991	-	6.0 "
January, 1997	-	6.5 "
July, 1998	-	6.0 "
July, 2000	-	6.5 "
January, 2001	-	7.5 "

Discussion/Major Issues

Because of the exemption of fuel used by commercial airlines, the aircraft fuel tax is mostly paid by private owners of small aircraft which are used for personal or business purposes.